



UNORGANISED SECTOR IN INDIA- AN OVERVIEW

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ABSTRACT

The paper describes about the role of unorganized sectors in India and stated that if the unorganized sector gets regulated to the typical formal sector, the share of the unorganized sector in the Indian economy will eventually be reduced. From 2014, the overall allotment for the Labour and Employment Ministry has seen an increasing movement. This is in consonance with the government's sequence of events of 'Make in India', skill development, push for entrepreneurship, etc. in spite of this, some important mechanism have seen a reliable retrogression.

INTRODUCTION:

Nowadays in India can't be likely without the unorganized labour carrying out daily odd jobs for the domestic. The unorganized sector worker is an essential part of the domestic, and an important one, that it is hard to carry out everyday trial without them. One can easily spot the profession of a doctor, policeman and lawyer- as people who never take an off. They work all days, every day but we would never find the mention of the labour who maintains our daily undefined work and function.

UNORGANISED SECTOR IN INDIA:

Most of the people in the unorganized sector in India are earn their income by working. They run either a small business or hire themselves as contract workers. This informal sector is economic activity is neither taxed or monitored by the government of India and in due course remains out of the Gross National Product (GNP). even if as a matter of fact, the casual economy is linked with developing countries where up to 60% of the unorganized workforce works, and almost every financial system contains an informal economy in some proportion. If the unorganized sector gets regulated to the typical formal sector, the share of the unorganized sector in the Indian economy will eventually be reduced. This will repeatedly reflect in the net taxes and manageable skilled and educated workforce. The unorganized sector is not capable to compete with the organized sector. The cost of adhering to instruction and taxes will reduce the cost of production. It may also contribute a major amount to the national income and likely to drive a new way to employment formation.

Unorganized sector is largely cash-based, which contributes majorly to the tax shirking and black money. When it comes to black money, it is estimated at around 24% of the GDP. This directly deprives the government of taxes and hampering developments.

A low tax base due to the unorganized sector directly leads to lower tax revenue, means that the government becomes more helpless for borrowing. This raises the fiscal deficit leading to higher inflations and it leads to credit downgrades and the outflow of foreign investments due to economic instability. It affects the low wage unorganized workforce, thus perpetuating a vicious cycle and hampering further developments.

CONTRIBUTION BY THE UNORGANIZED SECTOR:

The unorganized sector creates a large portion of the economy in terms of national investments, savings and value addition. The Share of the unorganized sector is more than 30%. The manufacturing activity share of the unorganized sector ranges near to 40%. These sectors might include some manufacturing, transport, construction, hotels, business or local services. The economy of India is not marginal. As estimated from research and studies, 92.5% of livelihood are not registered that are producing up to 2/3rd of the country's GDP with no signs of retreat.

Both of these aspects play a vital role in the economy particularly in employment, poverty easing and its contribution to the national domestic product, savings, and capital formation. This governs the largest share of national income, service savings, investment, taxes, manufacturing activities, forex exchange, etc.

GOVERNMENT INITIATIVES:

The Centre has started large hit reforms in the unorganised sector with the start of the progression for the creation of a National Platform of Unorganised Workers (NPUW) and allocation of an Aadhaar-seeded Unorganized Workers' Identification Number (UWIN) to over 40 crore individuals employed in the sector. As per the Ministry of Labour and Employment (MoLE), at present, there is no central-

ized national database of unorganised workers in the country; consequently, the structure of a social security delivery proposal is needed. In this regard, the government has decided to create the NPUW which envisages the allocation of UWIN to the individual employed in the unorganised sector. The unorganised sector includes a venture engaged in production and sale of goods or providing services where less than 10 workers are employed, irrespective of whether or not the employer provides equipment, material or other inputs.

The draft UWIN policy document reads: "The UWIN solution would lay the foundation for building up the country's social security benefits platform along with a system that can facilitate the identification of unorganised labour. The UWIN envisages a platform-based solution, adoption of standards, portability of social security benefit systems, process of standardisation and an Aadhaar-based beneficiary. The UWIN platform would cover a wide population and the beneficiaries include approximately 15 crore households, which amounts to nearly 40 crore individual."

"The UWIN, apart from providing a platform for consolidation of existing schemes, would provide the government, both at the state and Central level, a wealth of data that can serve to drive evidence-based policy making. Data analytics can also help in identifying the trends, needs and scope for the policy intervention by the government. The data analytics can further improve proactive and assistive services. The UWIN solution incorporates features that would serve to create programme integrity and reduce instances of fraud and abuse," the draft UWIN policy document reads.

"The UWIN solution has several stake holders—the labour ministry would serve as the nodal agency at the Central level through a portal—Management Information System (MIS)—and the state governments would be the primary users of the UWIN platform. The state governments will be responsible for the implementation and operational management of UWIN and the activities ranging from identification and registration to the beneficiary management," the draft UWIN policy reads. The contractor will have to complete the UWIN project within two years. Once the database is created, the MoLE will start the process of social benefit integration programme and almost a dozen of the government-run social security schemes will be linked to it for last mile delivery. The social security schemes that will be integrated include direct subsidy transfer, Aam Aadmi Bima Yojana, Pradhan Mantri Jeevan Jyoti Bima Yojana and Pradhan Mantri Suraksha Bima Yojana."

As per the International Labour Organization, at present, 90% of India's workers do not have the privileges like social security and workplace benefits enjoyed by their counterparts who are employed in the formal sector and in such a scenario, the UWIN is going to be the game changer for country's informal sector.

FUND ALLOCATION BY THE GOVERNMENT TO THE UNORGANIZED SECTOR:

From 2014, the overall allotment for the Labour and Employment Ministry has seen an increasing movement. This is in consonance with the government's sequence of events of 'Make in India', skill development, push for entrepreneurship, etc. in spite of this, some important mechanism have seen a reliable retrogression (in real, if not in monetary terms), the most imperative being employment creation and worker safety, with 2016 being a predominantly damaging year marked by accompanying unemployment caused by demonetization and many life lost in excavation accidents.

Year	2014-15	2015-16	2016-17	2017-18
Budgetary Allocation for Labour and Employment Ministry (In crores)	5608.33	5361.37	6242.6	7188.38
Allocation To labour bureau (in crore)	53.13	49.65	61.08	80.74
Working Condition and Safety (in crores)	81.86	87.64	33.80	49.30
Industrial Relations (in crores)	68.50	68.87	25.00	30.00

CONCLUSION:

The employees in unorganized sector are affecting without proper social security. The employees are working in this sector is very high when compared with organized sector. The government is on the right way by increasing the allocation of funds for the development of this sector, but the details reveal that it still needs to do more for the unorganized sector, bonded and child labour, low wages, health issues and to improve labour safety and welfare.

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